



NEWS RELEASE

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**FOR IMMEDIATE RELEASE
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**KENAI DENTIST INDICTED BY FEDERAL GRAND JURY
ON TAX EVASION CHARGES**

Anchorage, Alaska – United States Attorney Nelson P. Cohen announced that on September 19, 2007, that Glenn E. Lockwood of Kenai, Alaska, was indicted by a federal grand jury in Anchorage on charges of tax evasion. Lockwood was arrested on Friday, September 21, 2007, at his office in Kenai, and made his initial appearance today in federal court in Anchorage.

The four-count indictment named Lockwood as the sole defendant.

According to the indictment, Lockwood, a practicing dentist who owned the Kenai Dental Clinic, attempted to evade over \$575,000 in federal income taxes for calendar years 2000-2003. The indictment alleges that Lockwood created a corporation called Glenn E. Lockwood DDS, PC, in order to facilitate his tax evasion. It further alleges that Lockwood entered into an improper offshore executive leasing and deferred compensation scheme in order to fraudulently reduce his taxable income and channel his income into offshore investments. According to the indictment, Lockwood contracted his professional services to Executive Recruitment and Leasing Services (ERLS), an Irish entity, which leased his services to Domestic Executive Leasing Services (DELS), a Nevada company, which then leased his services back to Lockwood's corporation. The lease payments were sent from DELS to ERLS, and later channeled back to Lockwood, all with intent to conceal his income. The indictment further alleges that Lockwood used nominees to disguise his interest in assets that had been transferred into offshore accounts, returned to the United States, and invested through an agent in Nevada real estate development.

The indictment also alleges that Lockwood created a sham trust to hold his personal assets; that Lockwood retained control over the assets in the trust and used the money to pay various personal expenses without reporting the income on his tax returns, and that he concealed his true income by depositing income from his business into the trust and deducting those payments as insurance expenses on his corporate income tax returns.

Assistant United States Attorney Thomas C. Bradley and Justice Department Trial Attorney Katie Bagley, who presented the case to the grand jury, indicated that the law provides for a maximum total sentence of five years in prison, a fine of \$250,000, or both for each offense. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offenses and the prior criminal history, if any, of the defendant. Pending trial, the defendant is released on a \$150,000 bond, which includes travel restrictions, requiring him to surrender his passport.

The Internal Revenue Service–Criminal Investigation conducted the investigation leading to the indictment in this case.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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